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# Report Highlights

## Audit of the Agencies of the Secretary of Health and Human Resources – For the Year Ending June 30, 2014

January 2015

### Summary of Audit Results

During our audit, we found the following:

- Proper recording and reporting of transactions, in all material respects, in the Commonwealth Accounting and Reporting System and in each agency's accounting records;
- Six matters that we consider to be **material weaknesses** in internal controls;
- Thirty-eight additional matters that we consider to be **significant deficiencies** in internal control; and
- Instances of noncompliance with applicable laws and regulations that are required to be reported under Government Auditing Standards.

### Summary of Selected Issues and Recommendations

**[6]** findings for the **Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)** Program collectively prevented us from obtaining sufficient appropriate audit evidence to support an unmodified opinion on compliance. Many of these are findings resulting from issues encountered during the implementation of a new benefits system, Crossroads. The **Virginia Information Technologies Agency (VITA)** and the **Office of the Secretary of Health and Human Resources** may want to monitor Health's progress in addressing these issues and determine if there are any lessons that can be learned from this implementation that can be applied in the future.

**[1]** risk alert related to the Commonwealth of Virginia's compliance with its **settlement agreement with the United States Department of Justice (DOJ)**. The settlement is an agreement to address concerns with services provided by the Department of Behavioral Health and Developmental Services (DBHDS). We encourage **DBHDS**, the **General Assembly**, and the **Administration** to work together to ensure that DBHDS has the funds and support it needs to continue to comply with the settlement agreement and provide services to individuals in the appropriate setting.

**[10]** findings related to **Information System User Access**. These findings are related to information system owners improperly managing the access that users have to their critical systems. These findings should be of concern to the **Virginia Information Technologies Agency (VITA)** and the **Department of Accounts**, as they are responsible for issuing guidance in these areas. Many of the affected systems feed financial information directly into the Commonwealth's CAFR issued by the **Comptroller**.

**[11]** additional findings are related to **Federal Compliance**. These findings cite **specific compliance violations** with the Code of Federal Regulations or the Federal Office of Management and Budget (OMB) Circulars. Federal compliance findings could result in questioned costs, and liabilities to the federal government if corrective actions are not taken by management. These issues may require additional resources and supervision in order to correct; and therefore, should be monitored by management.

### Why the APA Audits These Five Agencies Every Year

Collectively the following five agencies spent \$12 billion, or 97%, of the total funds expended by the **Agencies under the Secretary of Health and Human Resources**:

- Department of Medical Assistance Services;
- Department of Social Services;
- Department of Behavioral Health and Developmental Services;
- Department of Health; and
- Office of Comprehensive Services for At-Risk Youth and Families

As a result, these five agencies are material to the **Comprehensive Annual Financial Report (CAFR)** of the Commonwealth. Therefore, we are required to audit their financial activities in support of our audit opinion on the CAFR. Additionally, the federal government required us to audit eight federally supported programs for compliance in fiscal year 2014. We reviewed the controls and audited compliance for these programs in support of the **Commonwealth's Single Audit**.



See the full report at:  
[www.apa.virginia.gov](http://www.apa.virginia.gov)

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